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Long Running Nigerian Letter Scam Raking in Millions

The letters often look like they came from a government or bank office. They start off with a dash of conspiratorial intimacy and fancy language and lead into promises of vast, easy riches. For nearly 20 years these letters have arrived in mailboxes, across fax machines and now, more recently, through E-mail. For two decades, consumers across the country have fallen prey to the Nigerian Letter Scam. One version of the letter promises a nice windfall if you'll only help move \$23 million into American banks from Nigeria.

"You will retain 20 percent of the total amount, 75 percent for us, and 5 percent will be set aside on completion of this business to offset any expenses we might have incurred during the processing of these funds." The letter says. "Include your confidential telephone and fax number in your reply so that I can let you know how we are going to proceed."

"These letters basically ask you to help embezzle a huge sum of money out of Africa," said Francine Giani, Director of the Utah Division of Consumer Protection. "Many of the letters say something like the government of Nigeria made a mistake. They gave us too much money and if you don't help us get it out of the country, they are going to take it back; however, if you help us, we will reward you."

It is a scam, Giani says, that despite extensive efforts by law enforcement, consumer protection advocates and even the media to warn people about it, this scam just refuses to die.

"The name of the person sending the letter might change, the name of the company changes", Giani says. "But year after year, the scam keeps popping up throughout the world."

If you are a small business owner, sometime over the past two decades, you probably have received a similar letter, often complete with misspellings and convoluted language. If you use E-mail, there is a good chance you've received the plea, or something like it. Like most of us, you probably deleted it without responding.

But federal law-enforcement authorities say hundreds or even thousands of people across the country have fallen prey to the elaborate confidence scheme. Officials say the spread of the Internet in Africa has meant a worsening of the scheme, and some victims get so sucked in that they end up giving away their life savings in the hope that one big transaction will justify it all. "These fraudsters are very, very good at what they do. They are well educated, well spoken, and they know how to mix just the right amounts of truth and lies. They are very bold, aggressive and, most of all, once they have someone hooked, they are very, very persistent," says Giani.

The scam started in the early 1980s, when a handful of letters, usually written on onionskin airmail paper, started appearing in mailboxes. The scam started gaining traction and expanding in scope with the advent of fax machines. But the Nigerian letter scam really hit the big time with the availability of the Internet.

“With E-mail, the cost of doing business for these criminals is almost nothing,” says Giani. “And they have the potential to be able to reach millions of potential victims either at home or at work.”

The problem has become so chronic that the United States Secret Service opened a permanent office in Lagos, Nigeria, two years ago in a effort to help local authorities get a handle on the problem - with limited success. And, Giani says, there are rumors that Internet cafes in Lagos are still full of men sending emails hour after hour.

Today, victims are handing over as much as \$100 million a year worldwide, according to one conservative government estimate. There are no reliable statistics as to how many letters are being sent out over the Internet as spam. But as many as 9,000 letters are being reported each month to the Secret Service, and authorities believe that is only a small fraction of the total. Few of the scammers have been caught and convicted. One problem is that many victims are too embarrassed to come forward, while others have become so caught up in the stories told by the con artists that no amount of coaxing can convince them that they have been duped.

“But when someone does report it, there is little anyone can do to recover their lost money. The names are phony, their bank accounts are closed and the criminals disappear into the streets of Lagos,” says Giani.

Individual losses from victims across the country can be staggering. Consumer protection officials tell of an attorney who lost more than \$1 million; a businessman who sent \$300,000; and a retired senior citizen who gave away every cent of an estate he had planned to leave to his grandchildren. One Dallas, Texas, real-estate developer lost \$100,000 and went bankrupt chasing an illusion choreographed over 18 months by an estimated 125 people who all had a role to play in the workings of the scam.

He told fraud investigators that his problems started with a formal-looking business proposal that arrived in his e-mail account. The plan seemed simple: If he helped shelter money by using his bank accounts, he would get a large cut of a multimillion-dollar wire transfer once it left Africa. Then as the scam played out, he found himself having to issue money to security companies. Then he had to pay escrow people, then a certificate of origin fee, tax clearance papers, anti-money-laundering certificates. Out of the 125 people he dealt with, he was unable to prove that anyone of them was real.

But his losses are.